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ATTORNEYS AT LAW  
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WASHINGTON, D.C.

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20006-2973

OF COUNSEL  
URBAN A. LESTER

(202) 393-2266

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February 26, 1999

RECORDATION NO. 21316-J

FILED

MAR 1 '99

12-40PM

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies of an Assignment of Assumption Agreement, dated February 26, 1999, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Rider No. 3 to the Memorandum of Lease which was previously filed with the Board under Recordation Number 21316-B.

The names and addresses of the parties to the enclosed document are:

Assignor : Greenbrier Leasing Corporation  
One Centerpointe Drive, Suite 200  
Lake Oswego, Oregon 97035

Assignee : The CIT Group/Equipment Financing, Inc.  
1211 Avenue of the Americas  
New York, New York 10036

A description of the railroad equipment covered by the enclosed document is:

Three hundred (300) boxcars IBT 19100 through IBT 19399

Vernon A. Williams  
February 26, 1999  
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/bg  
Enclosures

ASSIGNMENT AND  
ASSUMPTION AGREEMENT

MAR 1 '99

12-40 PM

ASSIGNMENT AND ASSUMPTION AGREEMENT dated February 26th, 1999 (this "Agreement"), between GREENBRIER LEASING CORPORATION, a Delaware corporation ("Assignor"), and THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation ("Assignee").

## WITNESSETH:

WHEREAS, Assignor and Assignee are parties to that certain Purchase Agreement dated as of February 26, 1999 (as amended, modified or supplemented from time to time, the "Purchase Agreement"), wherein Assignor agrees to sell to Assignor certain railcars leased to Minnesota, Dakota & Western Railway Company ("Lessee") pursuant to that certain Master Lease Agreement dated as of November 19, 1997 as supplemented by Rider No. 3 thereto dated as of March 10, 1998 as such Rider No. 3 is more specifically described in Section 4A of the Purchase Agreement as applicable to the Units as defined therein (together, the "Lease") between Assignor as lessor and Lessee as lessee;

WHEREAS, the Lease pertains to the railcars set forth on Schedule A attached hereto;

WHEREAS, a Memorandum of Lease in respect of the Master Lease Agreement was filed and recorded with the Surface Transportation Board on April 6, 1998 at 2:38 p.m. under Recordation Number 21316 and a Memorandum of Lease in respect of Rider No. 3 was filed and recorded with the Surface Transportation Board on April 24, 1998 at 1:18 p.m. under Recordation No. 21316B;

WHEREAS, Assignor desires to transfer to Assignee all of its right, title and interest in, to and under each of the Lease;

WHEREAS, with respect to the Lease, the Lessee is willing to execute and deliver to Assignee a Notice and Acknowledgment, substantially in the form of Annex 1 hereto, within 35 days of the date of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements of the parties contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Assignor and Assignee agree as follows:

Section 1. Definitions. Capitalized terms used herein without definition shall have the same meanings and the same rules of interpretation as in the Purchase Agreement.

Section 2. Transfer and Assumption. Assignor does hereby sell, assign and transfer to Assignee all of Assignor's present and future rights, obligations and interests in, to and under the Lease (the "Assignor's Interest"), and Assignee hereby accepts the Assignor's Interest from Assignor. Assignor and Assignee agree that such sale, assignment, transfer and acceptance is effective on the Closing Date (as defined below). Assignee agrees that, from and after the Closing Date, it shall be bound by all

the terms of, and shall have assumed and undertaken to perform all the obligations of Assignor with respect to, the Assignor's Interest.

Section 3. Effect of Transfer. Upon the execution and delivery of this Agreement, Assignee shall be deemed the "Lessor" for all purposes of the Lease, and each reference in the Lease to "Lessor" shall thereafter be deemed to be Assignee, except with respect to Reserved Rights and except as certain obligations are to be performed by Assignor pursuant to the Management Agreement dated as of February 10, 1999 between Assignor and Assignee (the "Management Agreement"). Assignee expressly assumes hereunder all and any liability and obligation of Assignor accruing or arising under the Lease or in respect of the Equipment on and after the Closing Date and Assignor shall be released from any such liability and obligation accruing or arising after the Closing Date, except as set forth in the Management Agreement.

Section 4. No Third Party Benefit. The provisions of this Agreement are for the sole benefit of Assignor, Assignee and their respective successors and assigns, and are not for the benefit, directly or indirectly, of any other Person, except as expressly agreed by the other parties hereto.

Section 5. Notices. Any notices provided for in the Lease shall be delivered to Assignee at the following address or such other place as Assignee may designate in accordance with the Lease:

The CIT Group/Equipment Financing, Inc.  
1211 Avenue of the Americas, 20th Floor  
New York, NY 10036

Attention: Manager - Rail Group

Section 6. Headings. The headings of the Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 7. GOVERNING LAW. THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS (OTHER THAN TITLE 14 OF ARTICLE 5 OF THE GENERAL OBLIGATIONS LAW).

Section 8. Execution in Counterparts. This Agreement and any amendments, waivers or consents hereto may be executed by Assignor and Assignee in separate counterparts (or upon separate signature pages bound together into one or more counterparts), each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument.

Section 9. Purchase Agreement. The rights and obligations of the parties hereto are subject to the terms and conditions of the Purchase Agreement.

Section 10. Recordation. Assignor hereby authorizes the recordation of this Agreement and hereby agrees to execute such further documentation as Assignee may reasonably request in order to carry out the purpose of this Agreement.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment and Assumption Agreement to be duly executed and sealed as of the day and year first written above.

GREENBRIER LEASING CORPORATION,  
as Assignee

By: Norriss M. Webb  
Name: Norriss M. Webb  
Title: Executive Vice President

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: Lawrence E. Littlefield  
Name: **LAWRENCE E. LITTLEFIELD**  
Title: **VICE PRESIDENT**

## **SCHEDULE A**

### **DESCRIPTION OF ITEMS OF EQUIPMENT**

Three Hundred (300) 50-foot 6-inch 100 ton Plate F boxcars with 12-foot plug doors, 15 inch EOCC and 60,000 lb. nailable steel floors manufactured by Gunderson, Inc.

Car Numbers IBT 19100 through IBT 19399, inclusive.

Lease Term Expiry Date: December 31, 2003

FORM OF NOTICE AND ACKNOWLEDGMENT

February 19, 1999

Minnesota, Dakota & Western Railway  
P.O. Box 19  
101 Second Street  
International Falls, MN 58649

Reference is hereby made to (a) that certain Master Lease Agreement dated as of November 19, 1997 (the "Master Lease") between Greenbrier Leasing Corporation ("Seller") as lessor and Minnesota, Dakota & Western Railway Company ("Lessee") and (b) Rider No. 3 to the Master Lease dated as of March 10, 1998 between Seller and Lessee with respect to certain railcars leased to Lessee under the Lease and identified by car numbers as IBT 19100 through IBT 19399, inclusive (the "Equipment"). The Master Lease together with such Rider No. 3 to the Master Lease solely with respect to the Equipment is hereinafter referred to as the "Lease." Capitalized terms used herein and not defined herein are used as defined in the Lease.

This will advise you that Seller intends to (i) sell the Equipment subject to the Lease to The CIT Group/Equipment Financing, Inc. ("Purchaser") and (ii) assign to Purchaser all of its right, title and interest in and to the Lease, provided, that Seller will continue to manage the cars pursuant to a Management Agreement between Seller and Purchaser.

Upon consummation of the transaction between Seller and Purchaser, Purchaser shall be the "Lessor" for all purposes of the Lease, subject to the terms and provisions of the Management Agreement, and shall be the "Buyer" for all purposes of the Railcar Warranties, and each reference in the Lease to "Lessor" or in the Railcar Warranties to "Buyer" shall thereafter be deemed to be Purchaser.

Lessee hereby represents and warrants for the benefit of Purchaser that, on and as of the date hereof, to the best of Lessee's knowledge without detailed investigation: (a) no event of default under the Lease has occurred and is continuing, (b) Lessee has no claims of any nature against Seller under or in connection with the Lease and no loss, destruction of any Car has occurred, (c) the Equipment is free and clear of all liens, claims and encumbrances (other than as permitted by the Lease), (d) aside from the Lease and the Rider No. 3, no other agreements are in force or effect between Seller and Lessee with respect to the Equipment.

Lessee further acknowledges and agrees that Seller shall continue to be the Record Keeper and shall perform the obligations of Lessor under the Lease. Lessee shall continue to rely upon Seller for the performance of Lessor's obligations unless and until Lessee shall receive a notice to the contrary from the Purchaser. Lessee further acknowledges and agrees that Purchaser shall have the exclusive rights as Lessor under the Lease as respects the Equipment and no consent or acknowledgment of MRC Rail Services L.L.C. as owner of the railcars identified as IBT 19000 through IBT 19099, inclusive, is required as to the exercise of Purchaser's rights, and as Lessor under the Master Lease and Rider No. 3.

From and after the date hereof all notices to be given to the "Lessor" under the Lease should be given to:

The CIT Group/Equipment Financing, Inc.  
1211 Avenue of the Americas, 20th Floor  
New York, NY 10036  
Attention: Manager - Rail Group

with a copy to:

Seller at the address provided in Rider No. 3 to the Master Lease.

This letter agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. This letter agreement shall in all respects be governed by, and construed in accordance with, the laws of the state of Oregon, without giving effect to principles of conflicts of laws.

Please execute this letter to confirm your acknowledgment and agreement to the foregoing in the space provided below.

Sincerely,

GREENBRIER LEASING  
CORPORATION

THE CIT GROUP/EQUIPMENT  
FINANCING, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Acknowledged and Consented  
to this \_\_\_\_ day of March, 1999:

MINNESOTA, DAKOTA & WESTERN RAILWAY COMPANY

By: \_\_\_\_\_  
Its: \_\_\_\_\_



District of Columbia       )  
  )  
City of Washington       )       ss:

I, KIM L. BARTMAN, Notary for the District of Columbia, hereby certify that the attached "Assignment and Assumption Agreement", dated February 26, 1999 between GREENBRIER LEASING CORPORATION, Assignor, and THE CIT GROUP/EQUIPMENT FINANCING, INC., Assignee, is a true and complete copy of the original thereof.

Certified this 1st day of March, 1999.

  
NOTARY PUBLIC

My commission expires: 3-31-2000